

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 2007

(In Thousands)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	MAJOR			TOTALS	
	STATE LOTTERY FUND	MICHIGAN UNEMPLOYMENT COMPENSATION FUNDS	NON-MAJOR		
OPERATING REVENUES					
Operating revenues	\$ 2,363,001	\$ 1,765,871	\$ 747,741	\$ 4,876,614	\$ 1,762,040
Total Operating Revenues	2,363,001	1,765,871	747,741	4,876,614	1,762,040
OPERATING EXPENSES					
Salaries, wages, and other administrative	280,901	2	62,650	343,554	523,202
Depreciation	140	-	10	150	48,447
Purchases for resale	-	-	542,634	542,634	69,971
Purchases for prison industries	-	-	-	-	19,641
Lottery prize awards	1,329,081	-	-	1,329,081	-
Premiums and claims	-	-	49	49	1,083,868
Unemployment benefits	-	1,920,346	-	1,920,346	-
Other operating expenses	-	91,734	1,220	92,954	46,421
Total Operating Expenses	1,610,123	2,012,082	606,562	4,228,767	1,791,551
Operating Income (Loss)	752,878	(246,211)	141,179	647,847	(29,511)
NONOPERATING REVENUES (EXPENSES)					
Specific tax on spirits	-	-	13,133	13,133	-
Interest revenue	5,186	-	4,872	10,058	-
Investment revenue (expense) - net	43,084	7,513	183	50,780	-
Other nonoperating revenues	-	-	-	-	471
Amortization of prize award obligation discount	(24,884)	-	-	(24,884)	-
Interest expense	(19,816)	-	-	(19,816)	(1,047)
Other nonoperating expense	-	-	-	-	(53)
Total Nonoperating Revenues (Expenses)	3,569	7,513	18,188	29,270	(629)
Income (Loss) Before Transfers	756,448	(238,697)	159,367	677,117	(30,141)
TRANSFERS					
Transfers To:					
School Aid Fund	(748,901)	-	-	(748,901)	-
Other funds	(11,749)	(20,371)	(162,440)	(194,560)	(1,307)
Total transfers to other funds	(760,649)	(20,371)	(162,440)	(943,460)	(1,307)
Change in net assets	(4,202)	(259,068)	(3,073)	(266,343)	(31,447)
Total net assets - Beginning of fiscal year	36,079	585,903	8,239	630,220	218,398
Total net assets - End of fiscal year	\$ 31,877	\$ 326,834	\$ 5,165	\$ 363,877	\$ 186,951

The accompanying notes are an integral part of the financial statements.